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REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Executive summary

Section I contains an overview of the activities carried out in 1999, indicating trends in delivery and in the mobilization of resources. Delivery, overall, increased in 1999 by 16.5 per cent from the level in 1998, to slightly more than US$ 25 million, of which around 40 per cent was directed towards the least developed countries, an increase from the figure for 1998. Trust fund contributions were down in 1999 from US$ 17.2 to US$ 13.6 million. The distribution of UNCTAD's technical cooperation shows a decrease in country and regional projects versus interregional projects. Section II reviews activities in the least developed countries. Section III covers cooperation with other organizations, which continued to develop satisfactorily, and reports on UNCTAD's involvement in the work of the CCA/UNDAF and on projects funded with UNFIP support. Section IV reviews the utilization of capacities of developing countries in UNCTAD's technical cooperation activities. Section V deals with the retreat organized as part of the secretariat's efforts to enhance the delivery of UNCTAD's technical cooperation services after UNCTAD X. Section VI provides information on the evaluation of technical cooperation programmes undertaken in 1999. Section VII reports on cooperation between UNCTAD and the private sector. Section VIII reviews the financial sustainability of certain technical cooperation programmes. Annex I provides a programme-by-programme review of activities undertaken in 1999, and annex II provides statistical information on UNCTAD's technical cooperation.

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INTRODUCTION

1. This report seeks to facilitate the Trade and Development Board's annual policy review of the technical cooperation activities of UNCTAD, which is undertaken in accordance with paragraph 107(b) of "A partnership for growth and development" (TD/378/Rev.1), adopted at UNCTAD IX.

2. The report will also be submitted to the Working Party on the Medium-term Plan and the Programme Budget for its forthcoming review of the technical cooperation activities undertaken by UNCTAD in 1999. The results of the Working Party's review will be before the Board.

I. OVERVIEW OF ACTIVITIES IN 1999

A. Trends in delivery

3. UNCTAD's technical cooperation expenditures from all sources amounted in 1999 to US$ 25.4 million, an important increase over the previous year of around 16.5 per cent. Overall, the level of annual expenditures in nominal terms in the 1990s has been maintained at around US$ 22 million. Funding provided by the United Nations Development Programme (UNDP) and trust fund expenditures increased in 1999 (see table 1). Also to be noted are resources provided from the Programme Budget of the United Nations, namely the Development Account established under General Assembly resolution 52/12 B of December 1997.

Table 1
UNCTAD's total expenditures on technical cooperation and source of funds, 1990-1999
(In millions of US$)

	1990	*1995*	*1996*	*1997*	*1998*	*1999*
UNDP	17.4	7.8	6.1	6.8	6.0	6.5
Trust funds	3.6	13.4	15.8	16.1	15.2	16.9
Programme budget [a]	0.6	0.8	0.5	0.4	0.6	2.0
Total	**21.6**	**22.0**	**22.4**	**23.3**	**21.8**	**25.4**

[a] This refers to section 21 and section 33 of the United Nations Programme Budget covering the "Regular Programme on Technical Cooperation" and the "Development Account", respectively. The increase in 1999 is largely due to the one-time provision of funds under section 21 of the savings account and to the initiation of activities financed under the Development Account.

4. Table 2 provides information on expenditure for the least developed countries (LDCs) and on regional and programme shares, for the period 1996-1999. The LDCs' share in 1999 was 40 per cent of total expenditure on technical cooperation, up from 36.7 per cent in 1998.

Table 2

Technical cooperation expenditure, 1996-1999:
by LDCs, by region and by programme
(In thousands of US$)

	1996	1997	%	1998	%	1999	%
Total	22 440	23 289		21 833		25 409	
LDCs	6 988	9 417	40.4	8 212	37.6	10 126	40.0
By region:							
Africa	5 724	7 839	33.7	5 864	26.9	5 344	21.0
Asia and the Pacific	2 788	3 905	16.8	4 208	19.3	4 576	18.0
Latin America and the Caribbean	1 978	1 407	6.0	953	4.4	1 110	4.4
Europe	3 421	2 526	10.8	3 227	14.8	2 338	9.2
Interregional	8 529	7 626	32.7	7 606	34.8	12 040	47.4
By programme:							
Globalization and Development Strategies	2 889	3 442		3 070		2 903	
International Trade in Goods and Services, and Commodities	3 008	2 955		2 968		3 539	
Investment, Technology and Enterprise Development	2 812	2 859		2 918		3 948	
Services Infrastructure for Development and Trade Efficiency	12 536	2 981		11 377		10 668	
Least Developed, Landlocked and Island Developing Countries	163	491		432		936	
Cross-Divisional Advisory Services [a]	-	-		-		2 001	
Executive Direction and Management, and Support Services	1 032	562		1 067		1 415	

[a] Expenditure under this item was included in the past in the expenditure of Executive Direction and Management.

5. Table 3 details 1999 expenditure by programme, according to the structure of the secretariat in 1999. The Division for Services Infrastructure for Development and Trade Efficiency (SITE) continues, as in previous years, to represent the largest share of the implementation of UNCTAD's technical cooperation, accounting in 1999 for 42 per cent of total expenditure. The three other divisions - the Divisions on International Trade in Goods and Services, and Commodities (DITC), Globalization and Development Strategies (GDS), and Investment, Technology and Enterprise Development (DITE) - represented respectively 11.4 per cent, 13.9 per cent and 15.5 per cent of total expenditure. The balance was represented by the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries and by activities reported for the secretariat as a whole (including Executive Direction and Management).

6. Within SITE, the programme on customs reforms and automation (ASYCUDA) accounted in 1999 for over 50 per cent of the Division's total expenditure of about US$ 10.6 million. This programme continues to attract strong demand from potential beneficiary countries, and is supported

by a broad range of donors. Several projects for customs reforms and automation were initiated in 1999. Other SITE activities included, as in earlier years, the development and implementation of the Advance Cargo Information System (ACIS) programme, human resources development, including TRAINMAR and TRAINFORTRADE, and activities related to trade efficiency.

7. DITC's technical cooperation continues to focus on strengthening the trade capacities of developing countries, providing assistance in dealing with international trading system issues, training and human resource development, and trade information. Most of these activities are associated with assisting countries in the implementation of various outcomes of the Uruguay Round with the objective of maximizing the benefits that developing countries derive from the multilateral trading system and facilitating their smooth integration into the world economy. A number of countries, including Algeria, Belarus, Cambodia, China, Jordan, Kazakhstan, Nepal, Saudi Arabia, Sudan and Viet Nam were assisted in 1999 in the process of their accession to the World Trade Organization (WTO). A range of countries were also assisted on various multilateral trade negotiations issues.

8. Work in the area of commodities continues to cover such issues as advice and training on commodity price risk management, the sustainable management of natural resources and assistance to commodity-based development and diversification.

9. Support for debt management, including through the promotion and installation of the Debt Management and Financial Analysis System (DMFAS) programme, continues to constitute the bulk of GDS technical cooperation (about 70 per cent). DMFAS activities, which continue to be strongly supported by beneficiaries and donors, focused on the installation in several countries of DMFAS 5.0 and in some cases of DMFAS 5.1, which incorporates new features linked to the analytical functions of debt management.

10. Other GDS activities in 1999 included work on a global greenhouse gas emissions trading system (part of which was financed by the United Nations Fund for International Partnerships (UNFIP); see paragraphs 26-30 below), portfolio investment and activities related to the coordination of assistance to the Palestinian people.

11. DITE's technical cooperation activities in 1999 were carried out within the framework of three subprogrammes, namely international investment, transnationals and technology flows (44.8 per cent of the Division's activities), national innovation and investment policies (20.3 per cent) and enterprise development (34.8 per cent). Activities under the first component included work on the preparation of the *World Investment Report*, on the link between foreign direct investment and trade in services, and on issues relevant to international investment agreements (IIAs).

12. Under the second component - national innovation and investment policies - UNCTAD continued in 1999 to assist interested countries in attracting foreign investment through training and

Table 3

Technical cooperation activities, by Division/Programme, 1999:
expenditure as at 31 December 1999
(In thousands of US$)

Division	1999				
	UNDP	Trust funds	Regular budget	Total	%
	(1)	(2)	(3)	(1+2+3)	
GDS: Total	**856**	**2 046**	**-**	**2 903**	**11.4**
Macroeconomic and development policies	-5	294	-	289	1.1
Globalization, development and debt management	800	1 668	-	2 468	9.7
of which: DMFAS Programme	*780*	*1 248*	-	*2 028*	*8.0*
Special programmes	61	84	-	146	0.6
DITC: Total	**1 427**	**2 112**	**-**	**3 539**	**13.9**
Trade analysis and systemic issues	1 230	1 358	-	2 588	10.2
Commodities	42	158	-	200	0.8
Trade, environment and development	155	422	-	577	2.3
Competition law and policy consumer protection	-	174	-	174	0.7
DITE: Total	**271**	**3 677**	**-**	**3 948**	**15.5**
International investment, transnationals and technology flows	52	1 720	-	1 772	7.0
National innovation and investment policy	228	574	-	802	3.2
Enterprise development	-9	1384	-	1 374	5.4
SITE: Total	**2 711**	**7 958**	**-**	**10 668**	**42.0**
Trade infrastructure	2 596	6 321	-	8 918	35.1
of which: Transport	*1249*	*1 795*	-	*3 043*	*12.0*
ASYCUDA	*1 348*	*4 527*	-	*5 874*	*23.1*
Business facilitation	2	295	-	298	1.2
Services for development	28	638	-	666	2.6
of which: TRAINMAR	-	*372*	-	*372*	*1.5*
TRAINFORTRADE	*28*	*170*	-	*198*	*0.8*
Trade Point programme	84	703	-	788	3.1
LDC: Total	**-**	**935**	**-**	**936**	**3.7**
Cross-Divisional Advisory Services	**-**	**-**	**2 001**	**2 001**	**7.9**
EDM: Total	**1 274**	**141**		**1 425**	**5.6**
Grand total	**6 539**	**16 869**	**2 001**	**25 409**	**100**

advice on specific investment issues (such as regulatory framework) and undertook policy reviews on investment and on technology and innovation, including in Albania, Bangladesh, Bolivia, Djibouti, Gambia, India, Jordan, Sudan, Uganda, Vanuatu, and the West Bank and Gaza Strip. Under enterprise development, activities continued to focus on the further expansion of the EMPRETEC programme aimed at promoting entrepreneurship and fostering links between small and medium-sized enterprises and foreign companies. Assistance in accountancy provided training for the staff of public and private sector enterprises, particularly in countries with economies in transition, in implementing accurate auditing laws and standards according to internationally accepted accounting principles.

B. Trends in mobilization of resources

13. UNCTAD's technical cooperation activities continue to be financed from three main sources: trust funds, UNDP and the Programme Budget of the United Nations. UNDP support increased in 1999 to US$ 6.5 million.

14. Trust fund contributions are provided on a voluntary basis by individual Governments, non-governmental organizations, the enterprise sector and foundations. Table 4 shows the evolution in the trust fund contributions, by category, over the last few years. Table VII of annex II provides the complete list of contributors. About 50 Governments and a score of multilateral and other organizations contributed to UNCTAD trust funds in 1999. About 57.6 per cent of trust fund contributions came from developed countries.

Table 4

UNCTAD trust fund contributions (1993-1999)[a]

(In thousands of US$)

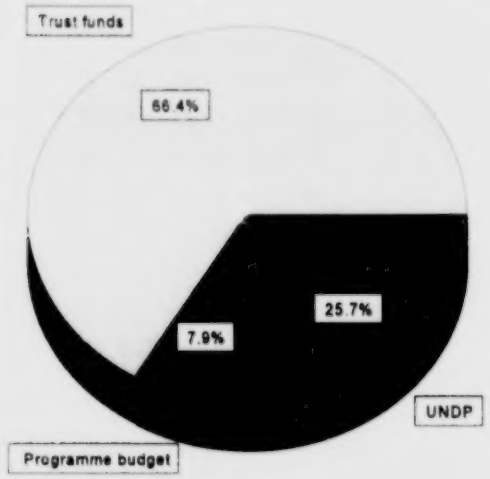
Category	1993	1994	1995	1996	1997	1998	1999	(% of total)
Developed countries' contributions	7 850	10 860	10 906	12 732	5 991	9 373	7 863	57.6
(of which associate experts)	*(632)*	*(672)*	*(672)*	*(518)*	*(873)*	*(729)*	*(505)*	
Developing countries - general contribution	174	190	218	1 012	996	624	1 195	8.8
Developing countries - self sustained [b]	990	2 686	2 096	2 229	1 092	2 070	938	6.9
European Commission	444	1 780	4 123	5 634	3 821	3 527	1 139	8.3
Other multilateral[c]	408	888	297	272	905	1 055	1758	12.9
Foundation/miscellaneous	249	195	243	135	464	557	742	5.5
Total	**10 121**	**16 599**	**17 883**	**22 014**	**13 270**	**17 207**	**13 635**	**100**

a Exclusive of third-party cost-sharing contributions through UNDP.

b For activities in their own countries, financed from domestic budget resources or through loans from the World Bank and regional development banks.

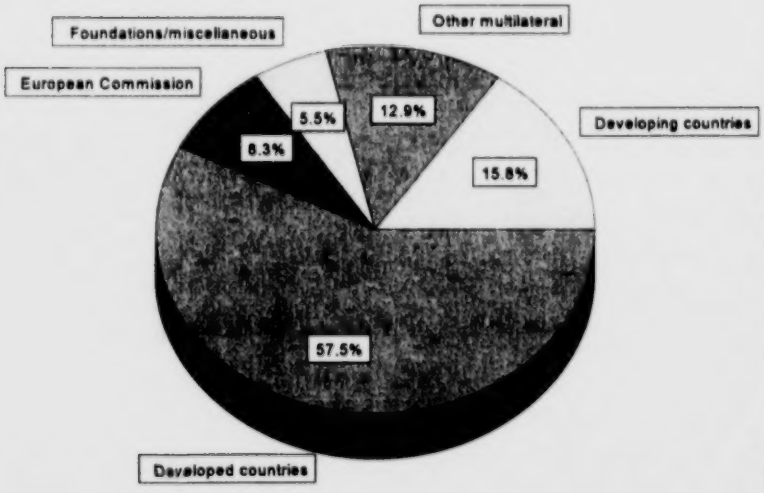
c For details see table VII of the statistical annex (TD/B/47/2/Add.2 - TD/B/WP/15/Add.2).

Figure 1. Expenditure by source of funds, 1999



15. In 1999 trust fund contributions decreased to US$ 13.6 million from US$ 17.2 million in 1998, well below the 1996 peak of US$ 22 million. The bulk of the contributions still come from a few donor countries, but it is preferable that the contributions come from as many different donors as possible on a stable and predictable basis, for obvious planning purposes. Some donors have established fixed yearly contributions which allow UNCTAD to plan its technical cooperation activities. It would be highly desirable that more donors follow this practice.

Figure 2. Origin of trust fund contributions, 1999



16. Developing countries' contributions to UNCTAD's technical cooperation amounted to 15.8 per cent of the total in 1999 (US $2.1 million). These contributions took the form of either general support for other developing countries or self-financing arrangements involving the provision of specified services (e.g. ASYCUDA) by UNCTAD in their countries. Such services are generally financed by utilizing the proceeds of loans or grants from the World Bank or the regional development banks.

17. Section F of the Bangkok Plan of Action on technical cooperation calls for enhanced internal coordination of technical cooperation activities through the exercise of a greater degree of central

oversight. In this context the secretariat was requested to submit to member States an annual indicative plan of technical cooperation programmes. The plan for 2001 is circulated as a conference room paper (TD/B/WP(XXXVI)/CRP.1) at the present session of the Working Party.

II. ACTIVITIES REGARDING THE LEAST DEVELOPED COUNTRIES

18. According to the recommendations of UNCTAD IX and in consonance with the Plan of Action of UNCTAD X, LDC issues, including technical cooperation projects, are considered throughout the UNCTAD secretariat. It is the responsibility of all divisions of the UNCTAD secretariat to ensure that UNCTAD's activities take the needs of LDCs into account. UNCTAD serves as the United Nations focal point for the least developed countries and is responsible for all issues related to LDCs including monitoring and implementation of the Programme of Action for LDCs for the 1990s; coordinating and preparing for the Third United Nations Conference for LDCs (LDC III), scheduled to be held in Brussels in May 2001 at the invitation of the European Union, and its follow-up; analysing the various major international initiatives as they relate to LDCs; and assisting LDCs in understanding the key issues in WTO negotiations - all these in the context of the Integrated Framework for Trade-Related Technical Assistance and other technical assistance initiatives. The UNCTAD secretariat implements these mandates through a combination of research work, field activity and provision of technical assistance which complement and supplement each other.

19. The Plan of Action of UNCTAD X recommended that LDCs have priority in the assistance provided by UNCTAD. This focus had already been in place since the adoption by the Trade and Development Board in 1997 of the strategy on technical cooperation, which gave priority to LDCs. In overall terms in 1999, 40 per cent of total activities benefited LDCs.

20. The Trust Fund for the Least Developed Countries has been operational since 1997. It was established to facilitate the start-up of new activities in favour of LDCs in UNCTAD's four main areas, i.e. globalization and development; international trade in goods and services, and commodity issues; investment, enterprise development and technology; services infrastructure for development and trade efficiency. By the end of 1999, contributions to the Trust Fund had reached US$ 6 million (see table 5). Although it surpassed its initial target of US$ 5 million, it fell short of its aim of securing regular replenishment to maintain the annual expenditure at around that level. The Plan of Action of UNCTAD X recommended further that implementation of activities in favour of LDCs require regular replenishment of the existing Trust Fund for LDCs, as well as provision of contributions in kind. Increased resources are particularly required in the light of UNCTAD's role in the implementation of the outcomes of the High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development and its Integrated Framework.

21. In addition to implementation of various technical cooperation projects in different areas of work, UNCTAD provides technical assistance to LDCs in the context of follow-up of the

Table 5

Contributions to the Trust Fund for Least Developed Countries

(In US$, as at 1 June 2000)

Contributions		Allocations	
Country	**Total amount**	**Earmarked**	**Unearmarked (INT/97/A09)**
China	$100 000	Training course in science and technology (1999: $100 000)	
Cyprus	$3 000 (1997)		$3 000
Finland	$181 580 (1998) $388 825 (1998) $338 764 (1999)	Investment guides in LDCs ($194 412)	$181 580 $194 412 $338 764
France	$251 699 (1997) $251 295 (1998) $193 750 (1999) $319 766 (2000)	- CAPAS (Djibouti, Mali, Zambia) (1997: $82 781) - Activities in Madagascar (1997: $84 459) - Activities in Haiti: negotiations for entry into CARICOM (1998: $30 000) - Activities in Vanuatu (1998) (a) establishment of a trade point ($30 000) (b) investment ($30 000) (c) vulnerability profiles ($8 495) - Investment guides ($152 800) - UNCTAD/WTO/ITC (JITAP) (1997: $84 459) - Market access, trade laws and preferences: activities in favour of Mozambique and Mauritania (1999: $86 111) - Multilateral framework and investment (1999: 50 710) - Commodity and market transparency (1999: $56 929; 2000: $70 383) - BIOTRADE initiative in West-Africa (2000: $42 934) - Training in dispute settlement (2000: $84 459) - Preparation for LDC3 (2000: $62 641 + $59 313)[a]	
Ghana	$50 000 (1997)		$50 000
India	$100 000 (1997)		$100 000
Ireland	$199 444 (1997)		$199 444
Netherlands	$956 410 (1997)	Follow-up and implementation of measures in favour of LDCs adopted by major global conferences ($956 410)	
Norway	$585 000 (1997) $704 515 (1998)[b] $549 342 (1999)	- DMFAS (1997: $112500; 1998: $112 500; 1999: $89 428) - Pilot seminar for portfolio investment (1997: $135 000) - Multilateral framework for investment (1997: $112 500; 1998: $25 000) - TRAINFORTRADE (1997: $75 000) - *World Investment Report* (1998: $50 000; 1999: $51 101) - LDCs investment guides (1998: $100 000; 1999: $102 203) - Building capacity in LDCs to attract foreign investment through venture funds (1998: $133 000) - BIOTRADE initiative (1997: $50 000; 1998: $50 000) - Competition policies (1998: $125 000; 1999: $76 652)	$100 000 $109 015 $229 958
Portugal	$100 000	TRAINMAR in lusophone African countries (1999: $20 000; 2000:$30 000)	$50 000
Republic of Korea	$100 000 (1997)		$100 000
Sweden	$165 013 (1997)	Activities related to four LDCs (Benin, Burkina Faso, Uganda and the United Republic of Tanzania) within the framework of JITAP ($165 013)	
Switzerland	$1 000 000 (1998)	- LDC participation in world ASYCUDA meeting (Manila, March 1998) ($164 000) - JITAP (Uganda) ($440 000)	
Total	**$6 538 403**	**$4 486 230**	**$1 656 173**

[a] This amount was transferred from other projects.
[b] This includes $1,144 and $7,871 transferred from other projects.

High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development as well as the Joint Integrated Technical Assistance Programme for least developed and other African countries (JITAP/UNCTAD/WTO/ITC). The main focus of the technical cooperation activities currently being undertaken by UNCTAD in LDCs is, however, in the context of country-level preparations for LDC III. Activities in this respect consist mainly of provision of advisory services to individual LDCs in setting up and putting in motion National Preparatory Committees for country-level preparations for the Conference. The National Preparatory Committees' major role is to enhance a bottom-up consultative process with a view to creating a more solid base for an international consensus. Country-level preparation will lead to regional-level preparations, which ultimately will lead to LDC III. At the time of the preparation of this report (May 2000) a number of member States of UNCTAD (Belgium, Finland, France, Holy See, Italy, Netherlands, Norway, Spain and Sweden) had made contributions/pledges of approximately US$ 3.3 million to UNCTAD for the preparatory process of LDC III. France has also made available the services of an associate expert to the secretariat to work on preparations for the Conference.

III. PARTNERSHIPS WITH OTHER ORGANIZATIONS

22. UNCTAD has continued to work closely with a number of organizations promoting technical cooperation for trade and development - UNDP, ITC, WTO, the World Bank, WIPO, UNIDO, IMF, the United Nations Office for Project Services, the regional Economic Commissions and the Department for Economic and Social Affairs of the United Nations, FAO, ILO and the IMO. It collaborates with a wide range of economic cooperation organizations including OECD and regional integration groupings of developing countries, and with a number of national and international non-governmental organizations. Annex I to this report (TD/B/47/2/Add.1 - TD/B/WP/125/Add.1) provides information on activities carried out in cooperation with these organizations, including on the UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development (see paragraphs 351-359) and on the Development Account project on electronic commerce (339-342).

CCA/UNDAF

23. The United Nations Development Assistance Framework (UNDAF) was introduced with the purpose of bringing greater coherence to the United Nations programmes of assistance at the country level with common objectives and time-frames in close consultation with Governments. The United Nations General Assembly in its resolution A/53/192 emphasized that UNDAF should promote a country-driven, collaborative and coherent response by the United Nations system to achieve greater impact at the country-level, fully consistent with and in support of national priorities. UNDAF is therefore the planning framework for the development operations of the United Nations system at country level prepared under the leadership of the Resident Coordinator. It consists of common objectives and strategies of cooperation, a programme resource framework and proposals for

follow-up, monitoring and evaluation. UNDAF is prepared on the basis of the Common Country Assessment (CCA), prepared by the United Nations country team under the leadership of the Resident Coordinator. CCA is a country-based process for reviewing and analysing the national development situation and identifying key issues as a basis for advocacy and policy dialogue. CCA is undertaken primarily by the field-level representatives of the United Nations system with the close involvement of the Government and the participation of civil society, the private sector, the donor community and the Bretton Woods institutions. Participation in UNDAF is determined by the above resolution and additional measures taken by the Secretary-General and the United Nations Development Group (UNDG), which *inter alia* encourage the involvement of all United Nations system organizations, whether or not they have country-level representation. As such, UNCTAD is expected to participate in formulation of CCA and UNDAF. Moreover, the final documents of UNCTAD quadrennial Conferences figures among those of major international conferences which are required to be taken into consideration in preparation of CCA and UNDAF.

24. UNCTAD has no field representation. In order to take duly into account UNCTAD's activities in the field in the preparation and/or updating of CCA and UNDAF (as this is a continuous process), the secretariat has given guidelines on UNCTAD's activities to Resident Coordinators and provided them with regular information on its areas of technical cooperation and other related activities.

25. The Programme of Action of UNCTAD X recommended that the UNCTAD secretariat develop practical modalities for its effective contributions to the preparation of UNDAF and CCA so as to ensure that the technical assistance provided by UNCTAD is reflected. For implementation of this recommendation, the secretariat has established a focal point in the Resources Management Service to facilitate greater involvement of UNCTAD's areas of concern in formulation of CCA and UNDAF.

Projects funded by the United Nations Fund for International Partnerships

26. A memorandum of understanding was signed between the United Nations Fund for International Partnerships (UNFIP) and UNCTAD in October 1998, whereby the United Nations Foundation (UNF) agreed to provide grant funds through UNFIP to finance UNCTAD projects and activities approved by the Foundation. Initial priority areas of UNF are as follows: population and women; environment and climate change, children's health; and institutional strengthening. Within these priorities, the Foundation has approved the following projects submitted by UNCTAD.

27. *Launching a plurilateral greenhouse gas emissions trading system.* This project will provide support to interested Governments, corporations and NGOs for the development of a plurilateral market for trading greenhouse gas emission allowances and credits in accordance with the Kyoto Protocol. The project started in February 1999 and has a duration of two years and six months. Its total budget is US$ 1,244,300. Other participating agencies are the UNFCCC, UNEP, UNIDO and the Earth

Council. Project activities give emphasis to capacity-building. A regional workshop was convened in Moscow, Russian Federation, in September 1999, attended by 120 participants from 16 countries. Issues addressed included: a review of experiences with domestic and commercial emission trading initiatives, perspectives on the development of a plurilateral emissions trading system, key design aspects of allowance and credit trading systems, market entry strategies, and the role of organized markets in controlling greenhouse gas emissions. Ongoing research includes four major research papers at various stages of completion.

28. A grant was awarded in 1999 to the Earth Council Institute of Canada for the preparation of a comprehensive training manual and modules on emissions trading. The outline has been completed and approved. The substantive work is underway.

29. *Capacity-building support regarding a Clean Development Mechanism (CDM).* This project is a two-year inter-agency collaborative effort involving the UNFCCC (as coordinator), UNDP, UNCTAD and UNIDO. Each organization is responsible for the implementation of its respective work plans. The project aims at stimulating and delivering "learning by doing" projects (CDM pilot projects) involving the private sector in selected developing countries with a view to examining on a practical and pragmatic level the key issues associated with a viable CDM. UNCTAD's contribution to the project is focusing mostly on upstream activities related to investment in CDM projects. This includes the improvement of the enabling framework for CDM investments, reinforcement of the institutional framework for CDM investment promotion and strengthening relevant investment promotion activities. The total budget of the project is US$ 1.5 million and UNCTAD's component amounts to US$ 193,350. Implementation will start this year.

30. *UNCTAD's BIOTRADE initiative in the Amazon.* The project will help the Amazon region to seize new investment and trading opportunities arising from the increasing interest in biodiversity-based products and services. The project will be implemented over a three-year period (2000-2002). Financial support from UNF will amount to US$ 1.7 million, approved in May 2000. Cooperating agencies include CBD and ITC as well as local public and private sector organizations.

IV. UTILIZATION OF CAPACITIES OF DEVELOPING COUNTRIES

31. Further to TDB decision 455 (XLV), paragraph 9, on the use of local and regional expertise from developing countries in the implementation of technical cooperation programmes, the secretariat addressed a note verbale (TDN 940) on 31 January 2000 to 130 member States of UNCTAD, members of the Group of 77. With a view to diversifying and enhancing its database of consultants and experts, and in particular improving its geographical coverage, the note invited the Governments concerned to provide the names and curricula vitae of experts for inclusion in the roster. As of 26 June 2000 the secretariat had received responses from nine countries. The names of experts provided in the responses

have been included in the database, which is consulted by project officers in the implementation of technical assistance projects.

32. Table 6 provides figures for project personnel contracts for 1998 and 1999, by nationality. The secretariat will continue to keep the Working Party regularly informed of developments in this matter.

V. RETREAT ON TECHNICAL COOPERATION

33. A one-day retreat on UNCTAD's technical cooperation, with the participation of officials from donors and recipient countries and the secretariat, was held on 14 January 2000 in Chavannes-de-Bogis with the assistance of resources provided by Switzerland. The retreat was organized as part of the secretariat's efforts to enhance the delivery of UNCTAD's technical cooperation services, particularly after UNCTAD X. It provided for an informal exchange of views on different aspects of UNCTAD's technical cooperation between donors and recipient countries and secretariat staff involved in technical cooperation. It was attended by nine developed member States and 15 recipient countries.

34. The retreat discussed in particular issues such as coherence and integration: synergies between analytical work and technical cooperation; the relationship between donors, recipients and secretariat; issues related to financing: availability and predictability of resources, regular and extrabudgetary resources, mobilization of resources, management of resources; coordination: internal coordination, coordination with other agencies; monitoring and evaluation; and involvement of the private sector and civil society.

35. A general understanding emerged among participants on a number of important points.

36. Participants felt there was a need to streamline the management of UNCTAD's technical cooperation. This could be done, *inter alia*, by strengthening the central management of technical cooperation with regard to fund raising and priority setting and through a better coordination and dissemination of information.

37. The suggestion was made that there be a move towards a programme approach and that there be generic/umbrella projects that would cover activities in broad areas of UNCTAD's work. The holding of regular thematic consultative meetings with donors and recipients to exchange information on project design, implementation, monitoring and evaluation was also put forward. This was suggested with a view to increasing transparency and accountability, and building confidence among donors, recipients and the secretariat. The monitoring role of the Working Party was reaffirmed. However, it was felt that it should find a way to integrate a more pragmatic approach, building on the work carried out in the framework of the consultative meetings mentioned above. The need to increase

Table 6

Project personnel contracts, by nationality

Country	1998			1999		
	Number of contracts	Percentage		Number of contracts	Percentage	
		Total contracts (514)	All developed countries (324)		Total contracts (489)	All developed countries (303)
United Kingdom	84	16.3	26.0	69	14.1	22.8
France	72	14.0	22.2	60	12.3	19.8
United States	32	6.2	9.8	30	6.1	9.9
Italy	19	3.7	5.9	15	3.0	4.9
Belgium	16	3.1	4.9	18	3.6	5.9
Canada	16	3.1	4.9	19	3.8	6.2
Ireland	11	2.1	3.4	8	0.2	2.6
Switzerland	11	2.1	3.4	20	4.0	6.6
Eight countries total	*261*	*51.0*	*80.1*	*239*	*47.1*	*78.7*
All developed countries	324	63.0	100.0	303	61.9	100.0
Rest of the world	190	37.0	-	186	38.1	-
Total	**514**			**489**		

the predictability of resources was stressed. Finally, the importance of disseminating information on the impact of projects was underlined. In this respect the significance of the evaluation process was reiterated. The retreat concluded with an exchange of views on cooperation with the private sector (see section VII below).

38. On the basis of these discussions and of the results of UNCTAD X, the Working Party might wish to provide further guidance to the secretariat on the matters described above.

VI. EVALUATION

(a) Annual in-depth evaluations

39. An in-depth evaluation of the Entrepreneurship Development Programme (EMPRETEC) was undertaken by an independent evaluation team composed of a professional evaluator complemented by two additional members knowledgeable about UNCTAD activities and procedures. The latter were to bring into the evaluation process the perspective of both the beneficiary and the donor communities. The evaluation report is contained in document TD/B/WP/129. It indicates that EMPRETEC is providing developing countries with training in entrepreneurship through the delivery of motivational and technical seminars, the provision of advisory services and the development of national and international networks serving the needs of entrepreneurs. As of December 1999, the programme was fully active in twelve countries, with preliminary activities being initiated in seven other countries (see paragraphs 190-206 of document TD/B/47/2/Add.1 - TD/B/WP/125/Add.1). Although the EMPRETEC concept is still appropriate, the training component of the programme needs adaptations. Over the years, the leading role which the programme had at the time of its launch has not evolved favourably with the introduction of new competitors. Nevertheless, there does not appear to be any complete substitute for EMPRETEC. The programme still possesses a large international network, and benefits from the favourable perception of UNCTAD in developing countries. According to the data available, it would appear that the cost of "producing" an Empreteco is rather modest. As of December 1999, only a few of the national programmes were close to being financially sustainable. The evaluation report provides a number of recommendations with the aim of improving the effectiveness of the programme. They include a shift in focus under two broad strategic areas: substantive and operational sustainability, and international networking.

(b) Enhanced features of the evaluation process

40. A standard feature of the UNCTAD evaluation process has become the review by the Working Party of the implementation of the recommendations arising from the in-depth evaluation reports. Following its decision, the Working Party will consider this year the follow-up to the evaluation

reports dealing with the technical cooperation activities on competition law and policy as well as with the Trade Point programme.[1]

41. The secretariat has taken steps to introduce the logical framework format for the design and preparation of technical cooperation projects and programmes. This is in line with the provision of UNCTAD X for enhancing evaluation processes within UNCTAD as well as with similar requests addressed by the Working Party to the secretariat. The use of the logical framework format will involve better definition of objectives and activities, as well as of the related benchmarks and indicators. The introduction of the logical framework format will considerably assist in the evaluation of the results and impact of the technical cooperation activities both at project and programme level. It will be recalled that the Trade and Development Board decided to include in the Medium-term Plan for the period 2002-2005 indicators to assess UNCTAD's activities. One of these indicators relates specifically to technical cooperation activities (assessment of technical cooperation activities against the indicators contained in the project documents). The introduction of the logical framework format, in addition to improving the project design and implementation, will assist in the preparation of the Mid-term Review to take place in the second quarter of 2002.

42. In the same context of assessing the impact of UNCTAD's technical cooperation activities, the secretariat has undertaken an in-depth review of 15 technical cooperation publications. The review was conducted with the assistance of experts selected from as wide a geographical range as possible. It focused on the utility of the publication for the target end-users as well as on the quality of the analysis. The results of this review will be shared with Governments.

VII. COOPERATION WITH THE PRIVATE SECTOR

43. Cooperation with the private sector is relevant to UNCTAD's three main areas of work: research, analysis and data collection; intergovernmental discussions and deliberations aimed at consensus-building; and technical cooperation in coordination and cooperation with other organizations. For example, UNCTAD and the private sector may cooperate in the exchange of information; joint research; and joint publication of technical resources and documentation. Secondly, UNCTAD may invite private entities to participate in intergovernmental and informal deliberations with a view to ensuring that the views and perspectives of the private sector are taken into account, where appropriate, in the formulation of policies and in the elaboration of the programme of work. Lastly, UNCTAD may invite private entities to participate in the financing and/or the implementation of technical cooperation activities and projects.

44. At the thirty-fifth session of the Working Party, some members felt that it would be appropriate for the secretariat to explore the possibility of involving the private sector, where feasible and

[1] See documents TD/B/WP/130 and TD/B/WP/128.

appropriate, in the implementation and financing of UNCTAD's technical assistance programmes, duly taking into consideration the financial rules and regulations of the United Nations. It was suggested that the secretariat might report thereon at the next session of the Working Party, identifying those technical cooperation activities where such involvement would be feasible and appropriate. Other members thought that this exercise should await the results of the preparation of guidelines on cooperation between UNCTAD and the private sector (Chairperson's oral report, paragraph 11, to the Working Party and to the forty-sixth session of the Trade and Development Board).

45. The secretariat has prepared a set of draft provisional guidelines for cooperation between UNCTAD, non-governmental organizations and institutions, and private or commercial enterprises, in response to suggestions by several participants in the Consultations of the President of the Trade and Development Board held on 31 March 1999 that guidelines be prepared. The guidelines cover the following areas: the use of the name, logo and emblem of the United Nations; different forms of cooperation; and the acceptance of voluntary contributions, and gifts or donations. The guidelines were prepared in consultation with the Office of Legal Affairs and the Controller of the United Nations. Their purpose is to assist staff members in discussing cooperation arrangements with private entities.

46. Work on the guidelines was discontinued when the Senior Management Group of the Secretary-General of the United Nations, on 9 June 1999, requested the Deputy Secretary-General of the United Nations to convene a group of staff members to prepare guidelines on cooperation between the United Nations and the private sector. The guidelines on cooperation between the United Nations and the business community cover the following areas: general principles guiding cooperative arrangements; use of the United Nations name and emblem; a value framework for choosing a partner; modalities for entering into partnerships; and institutional arrangements in the secretariat. The group completed its work in June 2000.

47. The guidelines encourage Offices, Funds and Conferences within the United Nations system to develop more specific guidelines in accordance with their mandates and activities. The UNCTAD secretariat will revise and complete its guidelines when the United Nations guidelines are made public. The former can be an annex to the latter. Further information on the guidelines will be made available to the Working Party at a future session.

48. The finalization of the guidelines should be supplemented by several other activities aimed at promoting cooperation with the private sector. For example, a note identifying the possibilities for private sector cooperation in UNCTAD's technical assistance programme should be prepared for the consideration of the Working Party. The note should subsequently be published as a booklet, and be circulated to Governments, private companies and trade federations, and chambers of commerce. The purpose of the booklet will be to give broad public exposure to those areas of UNCTAD's technical assistance programme where cooperation with the private sector is invited. This information should also be placed on the websites of the United Nations and UNCTAD. The feasibility of establishing

an UNCTAD – private sector staff exchange programme could also be examined. Lastly, a database of partnership and cooperation activities should be maintained by UNCTAD in order to provide an institutional memory to facilitate research and data management regarding cooperation with the private sector.

49. Cooperation with the private sector requires a review of standard contracts and procedures of the United Nations with a view to determining their suitability. The United Nations normally concludes contracts for the provision of goods and services required for the efficient functioning of the Organization and its programmes. The association of the private sector with technical cooperation activities would represent a new development requiring a review of the legal/contractual relations between UNCTAD, the beneficiary entity, and the private entity. This work will be undertaken in consultation with the Office of Legal Affairs.

50. To summarize, in accordance with a request made in paragraph 164 (ix) of the Programme of Action adopted at UNCTAD X, the secretariat's policy and legal work on cooperation with the private sector has been kept in abeyance pending the promulgation of guidelines of the Secretary-General of the United Nations on private sector cooperation. In view of recent developments on the subject at Headquarters, the secretariat intends to proceed as follows: (a) finalization of guidelines on cooperation with the private sector; (b) preparation of a note, published subsequently as a booklet, identifying possibilities for private sector cooperation in UNCTAD's technical cooperation programme; (c) circulation of the booklet to Governments, international industry and trade federations, chambers of commerce and corporations; (d) placing of this information on the websites of the United Nations and UNCTAD; (e) review of standard contracts and procedures; (f) creation of a database of partnership and cooperation activities; and (g) preparation of a note examining the feasibility of establishing an UNCTAD–private sector exchange programme.

VIII. FINANCIAL SUSTAINABILITY OF CERTAIN TECHNICAL COOPERATION PROGRAMMES

51. UNCTAD X, in paragraph 164 (viii) of its Plan of Action, decided "that technical assistance programmes should be subject to cost accounting, and ways and means should be found to introduce and improve mechanisms for the financial sustainability of certain programmes. The issue of the self-sustainability of ASYCUDA, DMFAS and ACIS should be considered further".

52. It will be recalled that, in accordance with paragraph 13 of decision 455 (XLV) of the Trade and Development Board, the Working Party on the Medium-term Plan and the Programme Budget at its thirty-third session, in January 1999, reviewed proposals for the financial sustainability of selected UNCTAD technical cooperation programmes, namely ACIS, ASYCUDA and DMFAS. The Working Party agreed (document TD/B/WP/115) that each of the three programmes made an essential contribution to enhancing institutional capacities and generating economic and financial benefits in

developing countries and in countries in transition. It also agreed that appropriate arrangements to ensure the programmes' financial sustainability were necessary, based on: (i) programme budget resources; (ii) programme support resources; (iii) extrabudgetary resources from donors; and (iv) annual maintenance fees. The Working Party further agreed that the precise arrangements for annual maintenance fees required further consideration, prior to their introduction. To that end, the Working Party requested the secretariat to refine the calculations on which the level of maintenance fees would be based, by undertaking, on a pilot basis, cost accounting for each programme.

53. Information was provided to the twenty-first executive session of the Board, in July 1999 (document TD/B/EX(21)/CRP/1). The Board took note of that information and requested the Working Party to consider the matter further at its thirty-fourth session in September 1999. Although an extensive exchange of views on the matter took place on that occasion, the Working Party could not reach a decision on the issue. It did, however, agree that financial sustainability called for a global and integrated solution, taking into account all four sources of funding referred to above.

54. In view of the above, the secretariat believes that the best way to put such an arrangement into practice is to organize consultations among individual programmes' beneficiaries and donors together with the secretariat. For example, the establishment of an Advisory Group, with the participation of donors, beneficiaries and the secretariat, has been proposed for the DMFAS Programme. Such a Group would advise the Secretary-General on a range of issues affecting that programme, including financing arrangements. The secretariat will keep the Working Party informed of developments in each individual programme in this regard.